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SECURITY INFORMATION
CENTRAL INTELLIGENCE AGENCY

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INFORMATION REPORT

REPORT NO. [REDACTED]
CD NO. 25X1A

COUNTRY China/Hong Kong/Macao/Philippines
SUBJECT Chinese Communist Economic Activities

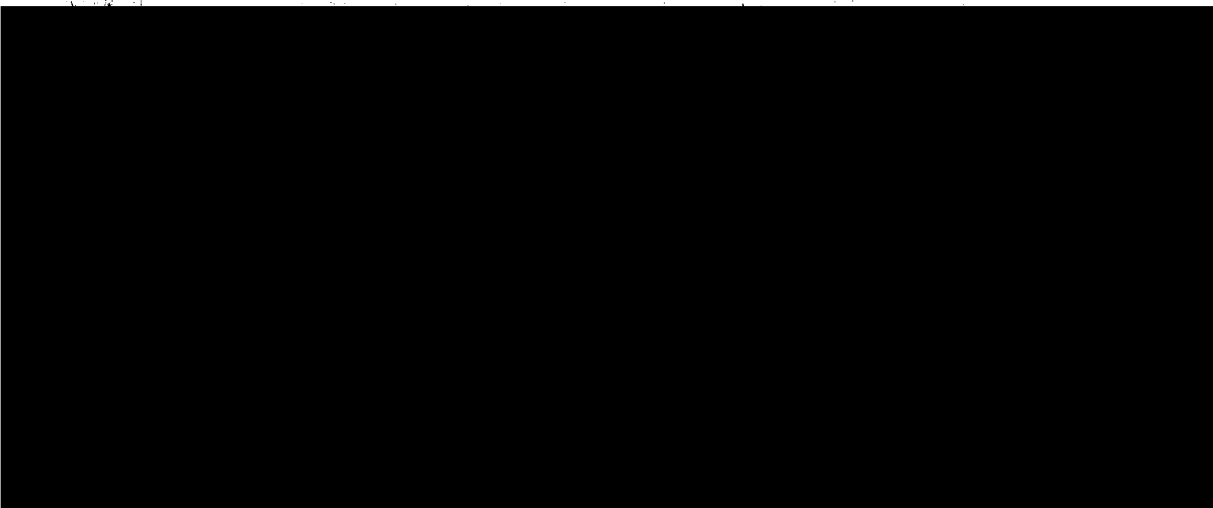
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PLACE ACQUIRED 25X1A
[REDACTED]

NO. OF ENCLS. (LISTED BELOW)

DATE OF INFO. [REDACTED] 25X1X

SUPPLEMENT TO REPORT NO.



1. In early November 1951 the Nan Kuang Trading Company purchased 7,000 sheets of iron plate and 3,000 sheets of white iron¹ in Hong Kong.² On 10 November these sheets were smuggled on fishing junks to the T'ai P'ing Warehouse in Macao. The Wan Yuan Company³, as agent for the Nan Kuang Company, sent the sheets to Canton in motor junks. In mid-November the Wan Yuan Company was at 37 Estrada da Cacilha, Macao.
2. In early November, Cruz and Son, 813 Malate and 1713 Quezon Boulevard, Manila, repeated their offer to sell anti-aircraft guns, rifles, sub-machine guns, and thirty million rounds of ammunition to the Chinese Communists. These arms were previously contracted to a buyer for the Chinese Communists, but Cruz and Son refused delivery when the buyer failed in the performance of the contract.
3. In early November S. K. YOUNG⁴ claimed optional rights on the disposal of 160 transmitter-receiver sets, type Mark II-19. The sets, which were in Hong Kong, were the property of a Manila firm.
4. Between 13 and 23 October the Chinese Communists transported silver ingots and 20-cent silver coins to Macao via the Ch'i-kuan highway to be used to obtain foreign exchange. On 17 October six cases of coins, packed in wooden cases, arrived at Macao. The coins were being stored in the Number 1 warehouse of the T'ai P'ing Estate Company, on the waterfront in Hsia Huan, near the Nan T'ung Bank, Macao.⁵

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5. In August 1951 K'0 Ching-lien⁶, formerly secretary-general of the Kwangtung Provincial Provisional Council and mayor of Chanching (109-49, 22-54)

No Change in Class.
 Declassified
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served as broker for the purchase of two airplane engines by the Nan Kuang Trading Company. K'0, believed to be in Hong Kong in mid-October 1951, has been supported politically by LIN I-chung', chairman of the former Kwangtung Provincial Provisional Council.

1. [REDACTED] Comment. Presumably this refers to galvanized iron. 25X1A
2. [REDACTED] Comment. This transaction purports to have taken place within two weeks of the reported failure of the Nan Kuang Company and closure of Chinese Communist buying in Hong Kong and Macao. [REDACTED] reported the arrival in Macao of steel and zinc plates on 12 November. 25X1A
3. [REDACTED] 25X1A
4. [REDACTED] Comment. In April 1951 S. K. YOUNG, a dental and oral surgeon, 603 China Building, Hong Kong, had arms and surplus supplies available to him through his association with President Quirino's son, according [REDACTED] 25X1A 25X1A
5. [REDACTED] Comment. [REDACTED] on 19 October Macao Communists were discussing the disposition of 95 tons of silver coins stored at the Nan Kuang Company. Other shipments of silver to Macao have been reported [REDACTED] It will be noted that the one reported above occurred shortly before Macao and Hong Kong buying was suspended by the Chinese Communists, partly at least because of a shortage of foreign exchange. 25X1A
6. [REDACTED] 25X1A
7. [REDACTED] 25X1A

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